

CLARK COUNTY, KANSAS

**FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2011**

CLARK COUNTY, KANSAS

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
County of Clark, Kansas

We have audited the accompanying financial statements of Clark County, Kansas, as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The effect on the financial statements of the omission of the component units, although not reasonably determinable, is presumed to be material.

As described more fully in Note A, Clark County, Kansas, has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, is presumed to be material.

In our opinion, because of the omission of the discretely presented component units, as discussed previously, and because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Clark County, Kansas as of December 31, 2011, or the changes in its financial position, or, where applicable, its cash flows for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of the primary government of Clark County, Kansas, as of December 31, 2011, and their respective cash receipts and expenditures, and budgetary results for the year then ended, on the basis of accounting described in Note A.

Kennedy McKee & Company LLP

July 3, 2012

CLARK COUNTY, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH

Year ended December 31, 2011

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Cash receipts</u>
Governmental funds:		
General	\$ 638,454	\$ 2,670,863
Special revenue funds:		
Special alcohol	5,017	1,081
Emergency 911	85,055	8,748
Wireless 911 emergency	14,526	4,850
Special bridge	303,211	39,259
Employee benefits	176,053	878,834
Noxious weed capital outlay	77,282	-
Rural fire district #1 Ashland	19,243	91,096
Rural fire district #2	14,218	34,930
Rural fire district #3	-	2,187
Non-budgeted special revenue funds:		
Treasurer's equipment reserve	3,000	-
Special vehicle	16,202	20,403
Diversion fee	9,818	4,900
P.A.T.F.	3,000	612
Special prosecutor's trust	429,372	122,092
Special law enforcement trust	456,288	757,345
Special concealed carry license	1,123	97
Equipment reserve	580,728	-
Capital improvement	929,585	-
Bioterrorism grant	2,167	7,811
Register of deeds technology	9,782	6,436
Emergency 911 grant	459	144,652
Special machinery	352,721	-
Ambulance capital outlay	154,618	-
Fire protection reserve FD1 Ashland	23,838	232,874
Rural fire district #1 Englewood	4,239	16,449
Fire protection reserve FD1 Englewood	42,184	5,816
Fire protection reserve FD2 Minneola	36,740	-
Total - excluding agency funds	<u>\$ 4,388,923</u>	<u>\$ 5,051,335</u>
Composition of cash balance:		
Checking accounts		
Money market accounts		
Cash and cash items on hand		
Certificates of deposit		
Total cash		
Agency funds		
Total - excluding agency funds		

The accompanying notes are an integral
part of the financial statements.

<u>Expenditures</u>	<u>Ending unencumbered cash balance (deficit)</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance (deficit)</u>
\$ 2,651,429	\$ 657,888	\$ 104,729	\$ 762,617
721	5,377	-	5,377
27,346	66,457	459	66,916
230	19,146	-	19,146
28,618	313,852	-	313,852
879,386	175,501	-	175,501
2,238	75,044	-	75,044
94,741	15,598	-	15,598
38,669	10,479	-	10,479
2,198	(11)	-	(11)
-	3,000	-	3,000
24,377	12,228	-	12,228
1,169	13,549	-	13,549
374	3,238	-	3,238
1,647	549,817	-	549,817
666,234	547,399	17,633	565,032
-	1,220	-	1,220
99,267	481,461	19,646	501,107
371,131	558,454	42,253	600,707
8,008	1,970	-	1,970
6,421	9,797	1,049	10,846
145,111	-	-	-
314,442	38,279	-	38,279
144,000	10,618	129,000	139,618
256,712	-	-	-
18,262	2,426	-	2,426
48,000	-	-	-
36,740	-	-	-
<u>\$ 5,867,471</u>	<u>\$ 3,572,787</u>	<u>\$ 314,769</u>	<u>\$ 3,887,556</u>
			\$ 1,728,539
			5,404,610
			18,389
			<u>2,300,000</u>
			9,451,538
			<u>(5,563,982)</u>
			<u>\$ 3,887,556</u>

CLARK COUNTY, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Year ended December 31, 2011

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General fund	\$ 3,193,311	\$ 16,071	\$ 3,209,382	\$ 2,651,429	\$ 557,953
Special revenue funds:					
Special alcohol	6,000	-	6,000	721	5,279
Emergency 911	40,000	-	40,000	27,346	12,654
Wireless 911					
emergency	20,000	-	20,000	230	19,770
Special bridge	350,202	-	350,202	28,618	321,584
Employee benefits	1,011,041	-	1,011,041	879,386	131,655
Noxious weed					
capital outlay	66,000	-	66,000	2,238	63,762
Rural fire district #1	90,376	4,626	95,002	94,741	261
Rural fire district #2	38,634	-	38,634	38,669	(35)
Rural fire district #3	2,292	-	2,292	2,198	94
Total primary government	<u>\$ 4,817,856</u>	<u>\$ 20,697</u>	<u>\$ 4,838,553</u>	<u>\$ 3,725,576</u>	<u>\$ 1,112,977</u>

The accompanying notes are an integral
part of the financial statements.

CLARK COUNTY, KANSAS

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Taxes	\$ 2,343,247	\$ 2,063,121	\$ 1,965,702	\$ 97,419
Intergovernmental	287,870	252,878	210,747	42,131
Licenses, fees, and permits	48,948	52,805	22,000	30,805
Charges for services	275,095	210,192	251,800	(41,608)
Use of money and property	72,312	45,130	85,000	(39,870)
Other	25,022	30,535	20,000	10,535
Operating transfers in	32,447	16,202	28,000	(11,798)
Total cash receipts	<u>3,084,941</u>	<u>2,670,863</u>	<u>\$ 2,583,249</u>	<u>\$ 87,614</u>
Expenditures:				
General government:				
Courthouse general:				
Personal services	19,409	47,066	\$ 67,480	\$ 20,414
Commodities	15,666	7,086	13,650	6,564
Contractual services	148,828	158,232	177,200	18,968
Capital outlay	-	-	26,950	26,950
Reimbursed expenditures	(27,370)	(11,423)	(85,280)	(73,857)
	<u>156,533</u>	<u>200,961</u>	<u>200,000</u>	<u>(961)</u>
Custodian:				
Personal services	31,478	30,658	31,214	556
Commodities	8,502	8,829	9,700	871
Contractual services	417	430	1,115	685
Capital outlay	2,158	-	1,850	1,850
	<u>42,555</u>	<u>39,917</u>	<u>43,879</u>	<u>3,962</u>
County Clerk:				
Personal services	81,208	79,030	80,164	1,134
Commodities	2,840	1,027	2,000	973
Contractual services	5,594	8,258	8,600	342
Reimbursed expenditures	(58)	-	-	-
	<u>89,584</u>	<u>88,315</u>	<u>90,764</u>	<u>2,449</u>

CLARK COUNTY, KANSAS

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET (CONTINUED)

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
County Appraiser:				
Personal services	\$ 72,931	\$ 71,512	\$ 73,665	\$ 2,153
Commodities	2,644	2,997	3,000	3
Contractual services	25,825	27,066	39,040	11,974
Capital outlay	-	510	600	90
Reimbursed expenditures	(4,900)	(700)	-	700
	<u>96,500</u>	<u>101,385</u>	<u>116,305</u>	<u>14,920</u>
County Treasurer:				
Personal services	91,068	89,513	88,695	(818)
Commodities	1,945	1,724	2,200	476
Contractual services	4,108	5,678	6,000	322
Reimbursed expenditures	(66)	(153)	-	153
	<u>97,055</u>	<u>96,762</u>	<u>96,895</u>	<u>133</u>
Register of Deeds:				
Personal services	58,334	58,441	54,927	(3,514)
Commodities	2,367	3,607	3,635	28
Contractual services	7,980	6,689	7,076	387
	<u>68,681</u>	<u>68,737</u>	<u>65,638</u>	<u>(3,099)</u>
District Court:				
Commodities	2,285	3,036	2,000	(1,036)
Contractual services	23,203	19,779	26,500	6,721
Capital outlay	2,181	205	5,750	5,545
Reimbursed expenditures	(6,183)	(9,240)	-	9,240
	<u>21,486</u>	<u>13,780</u>	<u>34,250</u>	<u>20,470</u>
County Commissioners:				
Personal services	35,430	35,118	34,398	(720)
Commodities	7	497	225	(272)
Contractual services	1,662	4,965	3,500	(1,465)
	<u>37,099</u>	<u>40,580</u>	<u>38,123</u>	<u>(2,457)</u>

CLARK COUNTY, KANSAS

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET (CONTINUED)

	Year ended December 31,			
		2011		
	2010	Actual	Budget	Variance favorable (unfavorable)
County Attorney:				
Personal services	\$ 64,595	\$ 63,940	\$ 64,606	\$ 666
Commodities	-	-	500	500
Contractual services	18,019	22,630	24,900	2,270
	82,614	86,570	90,006	3,436
Election expense:				
Personal services	9,812	9,716	9,696	(20)
Commodities	11,409	3,739	9,375	5,636
Contractual services	7,226	5,592	6,900	1,308
Reimbursed expenditures	(1,181)	-	-	-
	27,266	19,047	25,971	6,924
Conservation District	18,000	18,000	18,000	-
Tort liability	-	-	85,000	85,000
Other general government:				
Grant expenditures	14,380	-	-	-
Adjustment for qualifying budget credits	-	-	16,071	16,071
Miscellaneous	9,369	16,746	-	(16,746)
	23,749	16,746	16,071	(675)
Total general government	761,122	790,800	920,902	130,102
Public safety:				
Sheriff:				
Personal services	361,759	377,710	333,760	(43,950)
Commodities	64,501	90,111	47,200	(42,911)
Contractual services	66,178	69,096	37,650	(31,446)
Reimbursed expenditures	(609)	(20,120)	-	20,120
	491,829	516,797	418,610	(98,187)
911 emergency system	(415)	120	-	(120)

CLARK COUNTY, KANSAS

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET (CONTINUED)

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Emergency preparedness:				
Personal services	\$ 11,614	\$ 3,120	\$ 16,016	\$ 12,896
Commodities	23,282	7,298	5,250	(2,048)
Contractual services	2,436	2,285	6,000	3,715
Capital outlay	-	-	2,734	2,734
	<u>37,332</u>	<u>12,703</u>	<u>30,000</u>	<u>17,297</u>
Total public safety	<u>528,746</u>	<u>529,620</u>	<u>448,610</u>	<u>(81,010)</u>
Highways and streets:				
Road and bridge:				
Personal services	321,843	289,377	345,000	55,623
Commodities	276,880	271,686	294,950	23,264
Contractual services	99,770	118,164	103,300	(14,864)
Capital outlay	151,800	69,865	159,750	89,885
Reimbursed expenditures	(5,222)	(16,267)	-	16,267
	<u>845,071</u>	<u>732,825</u>	<u>903,000</u>	<u>170,175</u>
Noxious weed:				
Personal services	42,622	36,545	43,676	7,131
Commodities	35,346	49,847	98,330	48,483
Contractual services	9,483	11,262	11,605	343
Reimbursed expenditures	(23,557)	(8,641)	(40,000)	(31,359)
	<u>63,894</u>	<u>89,013</u>	<u>113,611</u>	<u>24,598</u>
Total highways and streets	<u>908,965</u>	<u>821,838</u>	<u>1,016,611</u>	<u>194,773</u>
Health and welfare:				
Area Agency on Aging	<u>20,000</u>	<u>20,000</u>	<u>20,500</u>	<u>500</u>
Ambulance:				
Personal services	56,665	66,004	65,770	(234)
Commodities	46,865	48,453	40,250	(8,203)
Contractual services	36,854	31,633	38,600	6,967
Capital outlay	15,021	10,365	28,000	17,635
Reimbursed expenditures	-	-	-	-
	<u>155,405</u>	<u>156,455</u>	<u>172,620</u>	<u>16,165</u>

CLARK COUNTY, KANSAS

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET (CONTINUED)

	Year ended December 31,			
		2011		
	2010	Actual	Budget	Variance favorable (unfavorable)
County health:				
Personal services	\$ 36,917	\$ 34,274	\$ 57,750	\$ 23,476
Commodities	16,593	24,436	6,700	(17,736)
Contractual services	7,776	7,184	6,100	(1,084)
Capital outlay	-	-	3,000	3,000
	<u>61,286</u>	<u>65,894</u>	<u>73,550</u>	<u>7,656</u>
Mental health	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Total health and welfare	<u>271,691</u>	<u>277,349</u>	<u>301,670</u>	<u>24,321</u>
Sanitation:				
Personal services	62,759	31,758	39,510	7,752
Commodities	18,295	30,892	27,200	(3,692)
Contractual services	46,430	25,759	208,300	182,541
Capital outlay	-	499	10,000	9,501
	<u>127,484</u>	<u>88,908</u>	<u>285,010</u>	<u>196,102</u>
Total sanitation	<u>127,484</u>	<u>88,908</u>	<u>285,010</u>	<u>196,102</u>
Operating transfers:				
Equipment reserve	203,000	-	46,500	46,500
Capital improvement	312,000	-	46,500	46,500
Ambulance capital outlay	96,900	-	-	-
Special machinery	57,929	-	-	-
Noxious weed capital outlay	10,000	-	-	-
Treasurer's equipment reserve	3,000	-	-	-
	<u>682,829</u>	<u>-</u>	<u>93,000</u>	<u>93,000</u>
Total operating transfers	<u>682,829</u>	<u>-</u>	<u>93,000</u>	<u>93,000</u>
Transfers to component units:				
Free Fair	14,000	14,000	14,000	-
Extension Council	72,000	72,000	72,000	-
Pioneer-Krier Museum	55,930	46,039	46,039	-
	<u>141,930</u>	<u>132,039</u>	<u>132,039</u>	<u>-</u>
Total transfers to component units	<u>141,930</u>	<u>132,039</u>	<u>132,039</u>	<u>-</u>

CLARK COUNTY, KANSAS

GENERAL FUND

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET (CONTINUED)**

	Year ended December 31,			
	2011			Variance
	2010	Actual	Budget	favorable (unfavorable)
Neighborhood revitalization rebate	\$ 6,264	\$ 10,875	\$ 11,540	\$ 665
Total expenditures	3,429,031	2,651,429	\$ 3,209,382	\$ 557,953
Receipts over (under) expenditures	(344,090)	19,434		
Unencumbered cash balance, beginning of year	982,544	638,454	\$ 610,062	\$ 28,392
Unencumbered cash balance, end of year	\$ 638,454	\$ 657,888		

The accompanying notes are an integral
part of the financial statements.

CLARK COUNTY, KANSAS

SPECIAL ALCOHOL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			
	2011			Variance
	2010	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Private club liquor tax	\$ 919	\$ 1,081	\$ 1,007	\$ 74
Expenditures:				
Health and welfare:				
Contractual services	-	1,546	\$ 6,000	\$ 4,454
Reimbursed expenditures	-	(825)	-	825
Total expenditures	-	721	\$ 6,000	\$ 5,279
Receipts over (under) expenditures	919	360		
Unencumbered cash, beginning of year	4,098	5,017	\$ 5,068	\$ (51)
Unencumbered cash, end of year	\$ 5,017	\$ 5,377	\$ 75	\$ 5,302

The accompanying notes are an integral part of the financial statements.

CLARK COUNTY, KANSAS

EMERGENCY 911 FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			
	2011			Variance
	2010	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Licenses, fees and permits	\$ 9,731	\$ 8,748	\$ 11,000	\$ (2,252)
Expenditures:				
Public safety:				
Contractual services	19,860	12,028	\$ 40,000	\$ 27,972
Capital outlay	-	15,318	-	(15,318)
Total expenditures	19,860	27,346	\$ 40,000	\$ 12,654
Receipts over (under) expenditures	(10,129)	(18,598)		
Unencumbered cash, beginning of year	95,184	85,055	\$ 86,184	\$ (1,129)
Unencumbered cash, end of year	\$ 85,055	\$ 66,457	\$ 57,184	\$ 9,273

The accompanying notes are an integral
part of the financial statements.

CLARK COUNTY, KANSAS

WIRELESS 911 EMERGENCY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			
		2011		
	2010	Actual	Budget	Variance favorable (unfavorable)
Cash receipts:				
Licenses, fees and permits	\$ 4,649	\$ 4,850	<u>\$ 10,000</u>	<u>\$ (5,150)</u>
Expenditures:				
Public safety:				
Contractual services	<u>230</u>	<u>230</u>	<u>\$ 20,000</u>	<u>\$ 19,770</u>
Receipts over (under) expenditures	4,419	4,620		
Unencumbered cash, beginning of year	<u>10,107</u>	<u>14,526</u>	<u>\$ 10,107</u>	<u>\$ 4,419</u>
Unencumbered cash, end of year	<u>\$ 14,526</u>	<u>\$ 19,146</u>	<u>\$ 107</u>	<u>\$ 19,039</u>

The accompanying notes are an integral
part of the financial statements.

CLARK COUNTY, KANSAS

SPECIAL BRIDGE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			
	2011			Variance
	2010	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes	\$ 102,762	\$ 39,259	\$ 37,643	\$ 1,616
Expenditures:				
Highways and streets:				
Contractual services	18,952	28,428	\$ 350,000	\$ 321,572
Neighborhood revitalization rebate	277	190	202	12
Total expenditures	19,229	28,618	\$ 350,202	\$ 321,584
Receipts over (under) expenditures	83,533	10,641		
Unencumbered cash, beginning of year	219,678	303,211	\$ 312,559	\$ (9,348)
Unencumbered cash, end of year	\$ 303,211	\$ 313,852		

The accompanying notes are an integral
part of the financial statements.

CLARK COUNTY, KANSAS

EMPLOYEE BENEFITS FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Taxes	\$ 788,691	\$ 878,834	\$ 842,882	\$ 35,952
Expenditures:				
General government:				
Personal services	863,762	874,635	\$ 1,006,000	\$ 131,365
Neighborhood revitalization rebate	2,129	4,751	5,041	290
Total expenditures	865,891	879,386	\$ 1,011,041	\$ 131,655
Receipts over (under) expenditures	(77,200)	(552)		
Unencumbered cash, beginning of year	253,253	176,053	\$ 168,159	\$ 7,894
Unencumbered cash, end of year	\$ 176,053	\$ 175,501		

The accompanying notes are an integral
part of the financial statements.

CLARK COUNTY, KANSAS

NOXIOUS WEED CAPITAL OUTLAY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			
		2011		Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Transfer from general	\$ 10,000	\$ -	\$ -	\$ -
Expenditures:				
Highways and streets:				
Capital outlay	1,550	2,238	\$ 66,000	\$ 63,762
Receipts over (under) expenditures	8,450	(2,238)		
Unencumbered cash, beginning of year	68,832	77,282	\$ 66,332	\$ 10,950
Unencumbered cash, end of year	\$ 77,282	\$ 75,044	\$ 332	\$ 74,712

The accompanying notes are an integral
part of the financial statements.

CLARK COUNTY, KANSAS

RURAL FIRE DISTRICT #1 ASHLAND FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Taxes	\$ 90,673	\$ 79,094	\$ 75,246	\$ 3,848
State and federal aid	-	4,626	-	4,626
Other	315	7,376	-	7,376
Total cash receipts	<u>90,988</u>	<u>91,096</u>	<u>\$ 75,246</u>	<u>\$ 15,850</u>
Expenditures:				
Public safety:				
Commodities	16,301	17,341	\$ -	\$ (17,341)
Contractual services	25,138	47,676	-	(47,676)
Capital outlay	12,766	13,718	-	(13,718)
Transfer to component unit	-	-	90,376	90,376
Operating transfers	18,807	15,835	-	(15,835)
Neighborhood revitalization rebate	193	171	-	(171)
Adjustment for qualifying budget credits	-	-	4,626	4,626
Total expenditures	<u>73,205</u>	<u>94,741</u>	<u>\$ 95,002</u>	<u>\$ 261</u>
Receipts over (under) expenditures	17,783	(3,645)		
Unencumbered cash, beginning of year	<u>1,460</u>	<u>19,243</u>	<u>\$ 19,243</u>	<u>\$ -</u>
Unencumbered cash, end of year	<u>\$ 19,243</u>	<u>\$ 15,598</u>	<u>\$ 4,113</u>	<u>\$ 11,485</u>

The accompanying notes are an integral
part of the financial statements.

CLARK COUNTY, KANSAS

RURAL FIRE DISTRICT #2 FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Taxes	\$ 34,353	\$ 34,930	\$ 33,276	\$ 1,654
Expenditures:				
Public safety:				
Commodities	2,950	6,819	\$ -	\$ (6,819)
Contractual services	8,896	16,727	-	(16,727)
Capital outlay	11,799	11,799	-	(11,799)
Transfer to component unit	-	3,289	38,634	35,345
Neighborhood revitalization rebate	40	35	-	(35)
Total expenditures	23,685	38,669	\$ 38,634	\$ (35)
Receipts over (under) expenditures	10,668	(3,739)		
Unencumbered cash, beginning of year	3,550	14,218	\$ 14,218	\$ -
Unencumbered cash, end of year	\$ 14,218	\$ 10,479	\$ 8,860	\$ 1,619

The accompanying notes are an integral
part of the financial statements.

CLARK COUNTY, KANSAS

RURAL FIRE DISTRICT #3 FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Taxes	\$ 2,492	\$ 2,187	<u>\$ 2,108</u>	<u>\$ 79</u>
Expenditures:				
Public safety:				
Appropriations	<u>2,844</u>	<u>2,198</u>	<u>\$ 2,292</u>	<u>\$ 94</u>
Receipts over (under) expenditures	(352)	(11)		
Unencumbered cash, beginning of year	<u>352</u>	<u>-</u>	<u>\$ 184</u>	<u>\$ (184)</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ (11)</u>		

The accompanying notes are an integral
part of the financial statements.

CLARK COUNTY, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ALL NON-BUDGETED SPECIAL REVENUE FUNDS

Year ended December 31, 2011

	Treasurer's equipment reserve	Special vehicle	Diversion fee	P.A.T.F.
Cash receipts:				
State and federal aid	\$ -	\$ -	\$ -	\$ -
Licenses, fees and permits	-	20,403	4,900	612
Fines and forfeitures	-	-	-	-
Other	-	-	-	-
Operating transfers	-	-	-	-
Total cash receipts	-	20,403	4,900	612
Expenditures:				
General government	-	8,175	1,169	374
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Operating transfers	-	16,202	-	-
Transfer to component unit	-	-	-	-
Total expenditures	-	24,377	1,169	374
Receipts over (under) expenditures	-	(3,974)	3,731	238
Unencumbered cash, beginning of year	3,000	16,202	9,818	3,000
Unencumbered cash, end of year	<u>\$ 3,000</u>	<u>\$ 12,228</u>	<u>\$ 13,549</u>	<u>\$ 3,238</u>

The accompanying notes are an integral
part of the financial statements.

<u>Special prosecutor's trust</u>	<u>Special law enforcement trust</u>	<u>Special concealed carry license</u>	<u>Equipment reserve</u>	<u>Capital improvement</u>	<u>Bioterrorism grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,811
-	-	97	-	-	-
122,092	719,132	-	-	-	-
-	38,213	-	-	-	-
-	-	-	-	-	-
<u>122,092</u>	<u>757,345</u>	<u>97</u>	<u>-</u>	<u>-</u>	<u>7,811</u>
-	-	-	99,267	371,131	-
1,647	666,234	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	8,008
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,647</u>	<u>666,234</u>	<u>-</u>	<u>99,267</u>	<u>371,131</u>	<u>8,008</u>
120,445	91,111	97	(99,267)	(371,131)	(197)
<u>429,372</u>	<u>456,288</u>	<u>1,123</u>	<u>580,728</u>	<u>929,585</u>	<u>2,167</u>
<u>\$ 549,817</u>	<u>\$ 547,399</u>	<u>\$ 1,220</u>	<u>\$ 481,461</u>	<u>\$ 558,454</u>	<u>\$ 1,970</u>

CLARK COUNTY, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ALL NON-BUDGETED SPECIAL REVENUE FUNDS (CONTINUED)

Year ended December 31, 2011

	Register of deeds technology	Emergency 911 grant	Special machinery	Ambulance capital outlay
Cash receipts:				
State and federal aid	\$ -	\$ 144,652	\$ -	\$ -
Licenses, fees and permits	6,436	-	-	-
Fines and forfeitures	-	-	-	-
Other	-	-	-	-
Operating transfers	-	-	-	-
	<u>6,436</u>	<u>144,652</u>	<u>-</u>	<u>-</u>
Total cash receipts	<u>6,436</u>	<u>144,652</u>	<u>-</u>	<u>-</u>
Expenditures:				
General government	6,421	-	-	-
Public safety	-	145,111	-	-
Highways and streets	-	-	314,442	-
Health and welfare	-	-	-	144,000
Operating transfers	-	-	-	-
Transfer to component unit	-	-	-	-
	<u>6,421</u>	<u>145,111</u>	<u>314,442</u>	<u>144,000</u>
Total expenditures	<u>6,421</u>	<u>145,111</u>	<u>314,442</u>	<u>144,000</u>
Receipts over (under) expenditures	15	(459)	(314,442)	(144,000)
Unencumbered cash, beginning of year	<u>9,782</u>	<u>459</u>	<u>352,721</u>	<u>154,618</u>
Unencumbered cash, end of year	<u>\$ 9,797</u>	<u>\$ -</u>	<u>\$ 38,279</u>	<u>\$ 10,618</u>

Fire protection reserve FD1 Ashland	Rural fire district #1 Englewood	Fire protection reserve FD1 Englewood	Fire protection reserve FD2 Minneola	Total
\$ 232,874	\$ -	\$ -	\$ -	\$ 385,337
-	-	-	-	32,448
-	-	-	-	841,224
-	614	5,816	-	44,643
-	15,835	-	-	15,835
<u>232,874</u>	<u>16,449</u>	<u>5,816</u>	<u>-</u>	<u>1,319,487</u>
-	-	-	-	486,537
245,148	17,167	-	-	1,075,307
-	-	-	-	314,442
-	-	-	-	152,008
-	-	-	-	16,202
<u>11,564</u>	<u>1,095</u>	<u>48,000</u>	<u>36,740</u>	<u>97,399</u>
<u>256,712</u>	<u>18,262</u>	<u>48,000</u>	<u>36,740</u>	<u>2,141,895</u>
(23,838)	(1,813)	(42,184)	(36,740)	(822,408)
<u>23,838</u>	<u>4,239</u>	<u>42,184</u>	<u>36,740</u>	<u>3,055,864</u>
<u>\$ -</u>	<u>\$ 2,426</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,233,456</u>

CLARK COUNTY, KANSAS

SUMMARY OF CASH RECEIPTS AND CASH DISBURSEMENTS - ALL AGENCY FUNDS

Year ended December 31, 2011

Fund	Beginning cash balance	Cash receipts	Cash disbursements	Ending cash balance
County clerk	\$ -	\$ 9,003	\$ 9,003	\$ -
Register of deeds	-	46,301	46,301	-
District court	116,465	123,435	124,297	115,603
Sheriff	-	25,919	25,919	-
Law library	1,454	3,249	2,100	2,603
Tax collections	4,520,324	7,766,019	7,636,604	4,649,739
Tax accounts	15,145	5,200,411	5,147,492	68,064
Stray animals	790	-	790	-
Motor vehicle fees and sales tax collections	1,920	227,437	222,743	6,614
Drivers license fees	639	6,105	6,045	699
Fish and game licenses and hatchery fees	-	8,405	8,405	-
Clark County 2007 NRP	-	45,778	45,778	-
Seized drug funds	95,944	1,260,100	635,384	720,660
Total	<u>\$ 4,752,681</u>	<u>\$ 14,722,162</u>	<u>\$ 13,910,861</u>	<u>\$ 5,563,982</u>

The accompanying notes are an integral
part of the financial statements.

CLARK COUNTY, KANSAS

COMPUTATIONS FOR FINANCIAL RATIO TEST

Year ended December 31, 2011

Total cash receipts of the primary government per Summary of Cash Receipts, Expenditures, and Unencumbered Cash			\$ 5,051,335
Less transfers included in total cash receipts (see footnote E)			<u>(32,037)</u>
Total revenues			<u>\$ 5,019,298</u>
Total expenditures of the primary government per Summary of Cash Receipts, Expenditures, and Unencumbered Cash			\$ 5,867,471
Less transfers included in total expenditures (see footnote E)			(32,037)
Less repayments of borrowings included in expenditures (see footnote D)			
Principal	\$	38,332	
Interest		<u>4,812</u>	<u>(43,144)</u>
Total expenditures			<u>\$ 5,792,290</u>
Total ending cash balance of the primary government per Summary of Cash Receipts, Expenditures, and Unencumbered Cash			<u>\$ 3,887,556</u>

CLARK COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statements is presented to assist in understanding the County's financial statements, which are presented in conformity with the cash basis and budget laws of the State of Kansas. The financial statements and notes are representations of the County's management, which is responsible for their integrity and objectivity. The amounts shown for 2010 in the accompanying financial statements are included, where practicable, only to provide a basis for comparison with 2011, and are not intended to present all information necessary for a fair presentation in accordance with the basis of accounting as described below.

1. Financial reporting entity

Clark County, Kansas, is a municipal corporation governed by an elected three-member commission. The scope of the entity for financial reporting purposes is defined as those funds for which the governing body of the County has financial accountability. Financial accountability includes budgetary authority and fiscal management responsibility. Budgetary authority is defined as authority for final approval of budgetary appropriations and revisions. Fiscal management responsibility is control of the collection and disbursement of funds. These financial statements include all funds included in the County's legally adopted budget and fiduciary funds controlled or administered by County employees in their capacity as County employees. These financial statements present Clark County, Kansas, (the primary government) and do not include the following component units:

Clark County Rural Fire District #1 and #2: The Districts, defined as separate taxing entities by applicable state statutes, provide fire protection services to certain unincorporated areas of the County. The costs of providing such services are provided from property taxes assessed by the County to property owners in the District. For financial reporting, the financial activities of the Fire Districts are accounted for within budgeted special revenue funds.

The following component units are not included in the financial statements of the County:

Clark County Free Fair: The Free Fair governing body members are appointed by the County Commissioners. The Free Fair is fiscally dependent upon the County because it provides substantial financial support.

Clark County Extension Council: The Council has an elected board for its governing body. The County can impose its will on the Council because it has the ability to modify or approve the operating budget of the Council. Although it receives some other support, the Council is fiscally dependent on the County.

Pioneer-Krier Museum: The governing body of the Museum is elected from among its members. The Museum is fiscally dependent upon the County because it provides substantial financial support.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Fund accounting

The accounts of the County are organized on the basis of funds. In governmental accounting a fund is designated as a sum of money or other resources segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations and constituting an independent fiscal and accounting entity.

County resources are allocated to and for individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The following funds comprise the financial activities of the County for the year of 2011:

GOVERNMENTAL FUNDS

These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

General Fund

This fund is established to account for resources devoted to financing the general services that the County performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the County are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Special Revenue Funds

These funds are established to account for the proceeds of specific revenue sources other than special assessments, trust funds, or major capital projects that are legally restricted to expenditures for specified purposes.

FIDUCIARY FUNDS

Agency Funds

These funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds.

3. Statutory basis of accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure is charged in the fund from which the transfer is made.

The County has adopted a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Departure from accounting principles generally accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. A statement of net assets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance is not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences is not presented in the financial statements.

5. Budgetary information

Kansas statutes require that an annual operating budget be legally adopted for the General fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. Budgets were amended for the following funds:

<u>Fund</u>	<u>Original budget</u>	<u>Amended budget</u>
Rural Fire District #1	\$ 75,376	\$ 90,376
Rural Fire District #2	33,634	38,634

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Budgetary information (continued)

All legal annual operating budgets are prepared using the statutory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for fiduciary funds and the following special revenue funds:

- Treasurer's Equipment Reserve
- Special Vehicle
- Diversion Fee
- P.A.T.F.
- Special Prosecutor's Trust
- Special Law Enforcement Trust
- Special Concealed Carry License
- Equipment Reserve
- Capital Improvement
- Bioterrorism Grant
- Register of Deeds Technology
- Emergency 911 Grant
- Special Machinery
- Ambulance Capital Outlay
- Fire Protection Reserve FD1 Ashland
- Rural Fire District #1 Englewood
- Fire Protection Reserve FD1 Englewood
- Fire Protection Reserve FD2 Minneola

The Rural Fire District #1 Englewood fund receives a portion of the annual taxes levied by the Rural Fire District #1. This fund accounts for the operations of the Rural Fire District #1 at Englewood.

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

6. Cash and investments

To facilitate better management of the County's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash account. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are distributed to the General Fund and other appropriate funds. Investments consist of time deposits reported at fair value which is the same as cost.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Pension plan

Substantially all full-time employees of the County are members of the State of Kansas Public Employees' Retirement System (KPERS) or the Kansas Police and Firemen's Retirement System (KP&F), both of which are cost-sharing multiple-employer state-wide pension plans. The County's policy is to fund all pension costs accrued; such costs to be funded are determined annually by the system's actuary.

8. Compensated absences

The County's policies regarding vacations permit employees to accumulate a maximum of twenty calendar days of vacation. Upon termination or resignation from service with the County, employees are entitled to payment for all accrued vacation earned prior to termination or resignation. All employees on permanent status earn sick leave at the rate of approximately one calendar day per month with a maximum accumulation of sixty days. No allowance for unused sick leave is paid upon termination or resignation; however, upon retirement, sick leave will be paid up to a maximum of twenty days.

9. Section 125 plan

The County offers a section 125 flexible benefit plan to employees electing to participate. It is used for unreimbursed medical costs and dependent care expenses. The plan is administered by an independent company.

10. Deferred compensation plan

The County offers employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457.

11. Other post employment benefits

As provided by K.S.A. 12-5040, the County allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the County is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the County makes health care benefits available to eligible former employees and eligible dependents. The American Recovery and Reinvestment Act of 2009 (ARRA), as amended, provides for premium reductions for health benefits under COBRA. Eligible individuals pay only 35 percent of their COBRA premiums and the remaining 65 percent is reimbursed to the coverage provider through a tax credit. Certain requirements are outlined by the federal government for this coverage and credit.

12. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical needs of employees. The County purchases commercial insurance to cover health, property, liability and worker's compensation claims. There have been no significant reductions in coverage from the prior year. Settled claims from these risks have not exceeded coverage in any of the past three years.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts and the disclosures at the date of the financial statements. Actual results could differ from those estimates.

B. COMPLIANCE WITH KANSAS LAW

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by legal representatives of the County.

The cash basis law provided by K.S.A. 10-1113 prohibits the creation of indebtedness in any fund in excess of monies available in that fund. At year end, the Rural Fire District #3 fund had an unencumbered cash deficit of \$11.

The budget law provided by K.S.A. 79-2935 prohibits the expenditure of funds in excess of that allowed by budget. Expenditures exceeded the adopted budget of the Rural Fire District #2 fund by \$35.

C. DEPOSITS AND INVESTMENTS

Policies. The County has no formal deposit and investment policies; however it does follow state statutes. K.S.A. 9-1401 establishes the depositories which may be used by the County. The statute requires banks eligible to hold the County's funds to have a main or branch bank in the county, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the County's deposits in financial institutions to be entirely covered by federal depository insurance, by a corporate surety bond, or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka.

K.S.A. 12-1675 limits the County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. State statutes place no limit on the amount the County may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk - deposits. Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. At year-end the carrying amount of the County's deposits, including certificates of deposit, was \$9,433,149. The bank balance was \$9,618,609. Of the bank balance, \$879,167 was covered by FDIC insurance and \$8,739,442 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the County's name.

D. LONG-TERM DEBT

Changes in long-term liabilities for the entity for the year ended December 31, 2011, were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions/ net change</u>	<u>Reductions</u>	<u>Balance end of year</u>	<u>Interest paid</u>
Capital leases:					
2006 Komatsu loader Issued 6/7/2006 In the amount of \$95,000 At interest rate of 5.50% Maturing 6/7/2011	\$ 9,005	\$ -	\$ 9,005	\$ -	\$ 495
2008 John Deere loader Issued 6/29/2009 In the amount of \$97,366 At interest rate of 3.50% Maturing 1/15/2014	77,997	-	18,506	59,491	2,730
2008 Ford F550 Fire Truck Issued July 25, 2008 In the amount of \$51,726 At interest rate of 4.55% Maturing 7/25/2014	<u>32,405</u>	<u>-</u>	<u>10,324</u>	<u>22,081</u>	<u>1,475</u>
Total capital leases	119,407	-	37,835	81,572	4,700
Note payable from Rural Fire District #1 Englewood: To Firemen's Relief Association. – Englewood Issued 1/4/2001 In the amount of \$10,000 At interest rate of 2.00% Maturing 1/4/2021	<u>5,743</u>	<u>-</u>	<u>497</u>	<u>5,246</u>	<u>112</u>
Total contractual indebtedness	125,150	-	38,332	86,818	4,812
Compensated absences	38,901	326	-	39,227	-
Landfill closure and post-closure care*	<u>511,486</u>	<u>15,978</u>	<u>-</u>	<u>527,464</u>	<u>-</u>
Total long-term debt	<u>\$ 675,537</u>	<u>\$ 16,304</u>	<u>\$ 38,332</u>	<u>\$ 653,509</u>	<u>\$ 4,812</u>

* The beginning balance was reduced by \$201,456 for a change in accounting estimate, see Note K.

Current maturities of capital leases and interest through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2012	\$ 29,948	\$ 3,087	\$ 33,035
2013	31,106	1,929	33,035
2014	<u>20,518</u>	<u>718</u>	<u>21,236</u>
Total	<u>\$ 81,572</u>	<u>\$ 5,734</u>	<u>\$ 87,306</u>

D. LONG-TERM DEBT (CONTINUED)

Current maturities of notes payable and interest for the next five years and in five year increments through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2012	\$ 507	\$ 102	\$ 609
2013	517	92	609
2014	527	82	609
2015	538	71	609
2016	549	60	609
2017-2021	<u>2,608</u>	<u>133</u>	<u>2,741</u>
Total	<u>\$ 5,246</u>	<u>\$ 540</u>	<u>\$ 5,786</u>

E. INTERFUND TRANSFERS

A summary of interfund transfers by type is as follow:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Statutory authority</u>
Operating transfers:			
Rural Fire District #1 Ashland Special vehicle	Rural Fire District #1 Englewood General	15,835 <u>16,202</u>	KSA 19-3610 KSA 8-145
		<u>\$ 341,037</u>	
Transfers to component units:			
General	Free Fair	\$ 14,000	KSA 2-129
General	Extension Council	72,000	KSA 2-610
General	Pioneer-Krier Museum	46,039	KSA 19-2801
Fire protection reserve FD1 Ashland	Fire District #1	11,564	KSA 19-3601
Rural Fire District #1 Englewood	Fire District #1	1,095	KSA 19-3601
Fire protection reserve FD1 Englewood	Fire District #1	48,000	KSA 19-3601
Rural Fire District #2 Minneola	Fire District #2	3,289	KSA 19-3601
Fire protection reserve FD2 Minneola	Fire District #2	<u>36,740</u>	KSA 19-3601
		<u>\$ 232,727</u>	

F. DEFINED BENEFIT PENSION PLAN

Plan description. Clark County contributes to the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of cost-sharing multiple-employer defined benefit pension plans as provided by K.S.A. 74-4901, et seq. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% for Tier 1 employees (generally active members prior to July 1, 2009) and 6% for Tier 2 employees (generally active members on or after July 1, 2009) of covered salary. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates. The KPERS employer rates established for the calendar year 2011 is 7.74%. The County employer contributions to KPERS for the years ending December 31, 2011, 2010 and 2009 were \$75,655, \$73,313 and \$56,339, respectively, equal to the required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2011 is 14.57%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The County contributions to KP&F for the year ending December 31, 2011, 2010 and 2009 were \$35,952, \$28,661 and \$26,404, respectively, equal to the required contributions for each year.

G. LANDFILL CLOSURE AND POST-CLOSURE COSTS

State and federal laws and regulations require the County to place a final cover on landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as change in long-term debt in each period based on landfill capacity used as of each financial statement date.

The landfill closure and postclosure care liability is \$527,464 at December 31, 2011. This represents the cumulative amount reported to date based on the use of 92 percent of the estimated capacity of the area currently open. The County will recognize the remaining estimated liability for closure and postclosure care of \$299,751 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2011. Actual cost may differ due to inflation, changes in technology, or changes in regulations. The County will cover these costs through future charges to landfill users and future ad valorem tax revenues. The County expects the current cell to operate for approximately ten years.

The County is meeting the financial assurance requirements through the Local Government Financial Test. This test involves four components; financial, public notice, record keeping and reporting, and calculation of costs to be assured. The County has satisfied all four requirements.

H. OPERATING LEASES

In December of 2007, the County entered into a five-year operating lease for a motor grader. The annual cost of the lease is \$14,218.

In December of 2008, the County entered into a five-year operating lease for two motor graders. The annual cost of the lease is \$38,566.

In January of 2011, the County entered into a five-year operating lease for three motor graders. The annual cost of the lease is \$71,315, with the first payment due in January 2012.

The following is a yearly schedule of future minimum rental payments under the operating lease agreements:

2012	\$ 124,098
2013	109,880
2014	71,315
2015	71,315
2016	<u>71,315</u>
Total	<u>\$ 447,923</u>

I. CAPITAL PROJECT

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	<u>Project authorization</u>	<u>Cash disbursements and accounts payable to date</u>	<u>Project authorization remaining</u>
Minneola fire house	<u>\$ 250,043</u>	<u>\$ 207,907</u>	<u>\$ 42,136</u>

J. CONTINGENCIES

The County receives Federal and State grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of County management, such disallowances, if any, will not be significant.

K. CHANGE IN ACCOUNTING ESTIMATE

The estimate of the closure and postclosure costs used for the calculation of the liability for the landfill increased \$60,612 from \$766,603 in 2010 to \$827,215. In 2011, in addition the estimate of the percentage of used acres at the landfill decreased. Using the estimated acres of landfill filled at December 31, 2011 with the new estimates resulted in a change in accounting estimate of \$201,456.

L. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 3, 2012, the date on which the financial statements were available to be issued. Management's evaluation concluded that the following subsequent event is required to be recognized or disclosed in these financial statements:

As of January 1, 2012 the County will no longer retain tax collections in special revenue funds for the Rural Fire Districts, rather the County will appropriate the taxes and the activity will be recorded at the respective Rural Fire Districts.